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The Honorable William L. Dwyer

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AT SEATTLE
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WESTERN DISTRICT OF WASHINGTON
OF

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Environmental Affairs Division

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	NO. C90-0395-WD
)	
v.)	DEFENDANTS' BRIEF IN
)	SUPPORT OF MOTION TO
THE CITY OF SEATTLE, and)	DISMISS FIRST CLAIM
MUNICIPALITY OF METROPOLITAN)	FOR RELIEF
SEATTLE,)	FRCP 12(b)(6)
)	
Defendants.)	

This brief is submitted in support of the named Defendants' motion for dismissal of Plaintiff's first claim for relief under Federal Rule Civil Procedure 12(b)(6).

Plaintiff's first claim alleges violations of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter CERCLA 1980) as amended by

SCL 04706

DEFENDANTS' BRIEF IN SUPPORT
OF MOTION - 1

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1 the Superfund Amendments and Reauthorization Act of 1986
2 (commonly know as SARA, hereinafter CERCLA 1986), 42 U.S.C.
3 § 9601, et seq. The facts from which Plaintiff's allegations
4 arise involve alleged "releases" of "hazardous substances"
5 into Elliott Bay and the lower Duwamish River through sanitary
6 sewer and drainage systems owned and/or operated by Defendants,
7 which sanitary sewer and drainage systems include "combined
8 sewer overflows" (CSOs).

9 The United States as named Plaintiff, has brought this
10 action on behalf of the Secretary of the Department of
11 Commerce. The Secretary is the designated trustee under the
12 National Contingency Plan, 40 C.F.R. Part 300, for natural
13 resources which are managed or protected by the Department of
14 Commerce or by other federal agencies and that are found in or
15 under waters navigable by deep draft vessels, in or under
16 tidally-influenced waters, or waters of the contiguous zone,
17 the exclusive economic zone, and the outer continental shelf,
18 and in upland areas serving as habitat for marine mammals and
19 other protected species. 40 C.F.R. § 300.600.

20
21 Plaintiff Has Failed to Meet the Statute of Limitation.

22 Defendants' motion to dismiss Plaintiff's first claim for
23 relief focuses on three dates from which the statute of
24 limitations could have begun to run against Plaintiff's claims:
25 (i) the date when Plaintiff knew or should have known of any
26 loss to natural resources in Elliott Bay and the lower Duwamish

SCL 04707

DEFENDANTS' BRIEF IN SUPPORT
OF MOTION - 2

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1 River and its connection with any release(s) in question;
2 (ii) the date three years after the enactment of CERCLA 1980;
3 and (iii) the date on which the "regulations" referred to in
4 CERCLA 1986 § 113(g)(1) were promulgated.

5 CERCLA, as originally enacted in 1980 (CERCLA 1980),
6 contained a statute of limitations for natural resource damage
7 claims, which in relevant part provided that "[n]o claim may
8 be presented, nor may an action be commenced for damages under
9 this title, unless that claim is presented or action commenced
10 within three years from the date of the discovery of the loss
11 or the date of enactment of this Act, whichever is
12 later" CERCLA 1980 § 112, Pub. L. 96-510, 94 Stat.
13 2767, 2795 (Dec. 11, 1980).

14 CERCLA's statute of limitations for natural resource
15 damage claims, as amended in 1986 (CERCLA 1986), provides in
16 relevant part that "no action may be commenced for
17 damages . . . under this chapter, unless that action is
18 commenced within 3 years after the later of the following:

19 (A) The date of the discovery of the loss and its connection
20 with the release in question. (B) The date on which regulations
21 are promulgated under § 9651(c) of this title." 42 U.S.C.
22 § 9613(g)(1).
23

24 I. KNOWLEDGE: For the purpose of determining the running of
25 the statute of limitations, Plaintiff had the requisite
26 knowledge on or before December 11, 1980 of any loss to natural

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DEFENDANTS' BRIEF IN SUPPORT
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1 resources in Elliott Bay and the lower Duwamish River and its
2 connection with the release(s) in question.

3 The parties to this suit all have responsibilities that
4 require familiarity with the environmental condition of Elliott
5 Bay and the lower Duwamish River. Plaintiff, for example,
6 administers the Federal Water Pollution Control Act (FWPCA).
7 33 U.S.C. §§ 1251 to 1387. Pursuant to this Act, the
8 Administrator of the Environmental Protection Agency (EPA) was
9 required to submit to Congress by October 1, 1978 a report on
10 the status of combined sewer overflows in municipal treatment
11 works. 33 U.S.C. § 1375(c). The FWPCA required this report
12 to address each project funded under the Act. Id. The Court
13 will note from the complaint that alleged "releases" from
14 combined sewer overflows form part of the basis of Plaintiff's
15 complaint. In addition, EPA and the National Oceanic and
16 Atmospheric Administration (Department of Commerce) both
17 maintain offices in the geographic vicinity of, and with
18 jurisdiction over, Elliott Bay and the lower Duwamish River.

19 As can be seen from the complaint, the facts which form
20 the basis for Plaintiff's allegations do not involve a "spill"
21 or a single event or occurrence. Plaintiff, through the
22 activities of its agencies in the Puget Sound area, is well
23 aware of the conditions in Elliott Bay and the lower Duwamish
24 River. Voluminous evidence exists, which can demonstrate this
25 knowledge.
26

SCL 04709

DEFENDANTS' BRIEF IN SUPPORT
OF MOTION - 4

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1 Defendants presume for the purposes of this motion that
2 Plaintiff will not dispute that it had the requisite knowledge
3 on or before December 11, 1980 to bring a natural resource
4 damage action against Defendants. If Plaintiff contests this
5 presumption, Defendants invite Plaintiff to make such an
6 assertion in its response to this motion and the Court may then
7 treat this motion as a motion for partial summary judgment.

8 Absent the issue of knowledge as triggering the beginning
9 of the limitations period, the statute of limitations governing
10 Plaintiff's claims against Metro and the City of Seattle is
11 either three years from the enactment of CERCLA 1980 or three
12 years from the date the "regulations" referred to in CERCLA
13 1986 § 113(g)(1) were promulgated.

14
15 II. CERCLA 1980: The statute of limitations expired three
16 years from the date of enactment of CERCLA 1980.

17 Absent the issue of knowledge, the statute of limitations
18 ran on December 11, 1983, because Congress enacted CERCLA on
19 December 11, 1980.

20 The enactment of CERCLA 1980 created a new federal cause
21 of action which did not exist at common law.¹ Among its
22

23 ¹ CERCLA's legislative history shows that Congress
24 determined the natural resource provisions of CERCLA were
25 necessary because traditional common law tort theories did not
26 adequately address the problems caused by the release of oil
or hazardous substances, and did not adequately remedy the
losses caused by such releases. See H.R. Rep. No. 172, part 1,
96th Cong., 1st Sess. 17 (1979); S.Rep. No. 848, 96th Cong.,
2d Sess. 84 and 233 (1980). "S. 1480 changes State tort law

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1 provisions, CERCLA 1980 created for the first time a cause of
2 action for damages to public natural resources.² The time
3 within which a cause of action for natural resource damage
4 could be commenced by Plaintiff was set forth in Section 112(d)
5 of CERCLA 1980, which provided, in part:

6 No claim may be presented, nor may an action be
7 commenced for damages under this title, unless that
8 claim is presented or action commenced within three
9 years from the date of the discovery of the loss or
the date of enactment of this Act, whichever is
later

10 Since Plaintiff had requisite knowledge prior to
11 December 11, 1980, Plaintiff was required to file suit by
12 December 11, 1983. Plaintiff, however, failed to file suit
13 against Defendants until March 19, 1990. Plaintiff's cause of

14
15 by developing a new Federal tort law which allows individual
16 claimants to enter court more easily and to proceed with a suit
17 despite a paucity of evidence. This is a creation of a Federal
18 cause of action which constitutes an intrusion into judicial
19 process that have been formulated over hundreds of years common
law evolution and procedural development upon which industries
and businesses have relied in assessing their exposure to
liability and" S. Rep. No. 848, 96th Cong., 2d Sess.
(1980), at 119-22.

20 ² One of the principle differences between CERCLA and
21 the common law was that CERCLA created the fiction of a natural
22 resource trustee so that standing would exist for the recovery
of damages to public natural resources. See Anderson, Natural
23 Resources Damages, Superfund and the Courts, 16 Env'tl. Aff.,
405, 411 (1989) ("Because resources themselves do not have
24 standing to sue, Congress invented the resources guardian or
trustee. Liability is to the federal government or to the
25 states as trustees of the affected natural resources."). "The
President or the authorized representative of a state acts on
26 behalf of the public as trustee of such natural resources in
order to recover for damages." SARA, House Energy and Commerce
Committee Report 99-253 to H.R. 2817.

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1 action for damages was, therefore, extinguished by
2 Section 112(d).

3
4 III. CERCLA 1986: The statute of limitations ran on August 1,
5 1989, because that was three years from the date on which the
6 "regulations" referred to in CERCLA 1986 § 113(g)(1) were
7 promulgated.

8 If not barred on December 11, 1983 by the running of the
9 statute of limitations under CERCLA 1980, and absent any issue
10 of requisite "knowledge," the statute of limitations ran on
11 August 1, 1989, because the regulations referred to in CERCLA
12 1986 § 113(g)(1) were promulgated on August 1, 1986.

13 CERCLA 1980 and 1986 § 301(c) directed the President to
14 promulgate regulations so that trustees would have guidance in
15 conducting natural resource damage assessments (NRDA).
16 42 U.S.C. § 9651. The President delegated the task of
17 promulgating these regulations to the Department of the
18 Interior (DOI). Exec. Order No. 12,316, 46 Fed. Reg. 42,237
19 (Aug. 14, 1981), superseded by Exec. Order No. 12,580,
20 52 Fed. Reg. 2,923 (Jan. 29, 1987); see 44 U.S.C. § 1507; Hagen
21 v. Porter, 156 F.2d 362, 365 (9th Cir. 1946), cert. denied, 67
22 S.Ct. 85 (1946) (courts shall take judicial notice of the
23 Federal Register's contents). The Act further provided that
24 damage assessments conducted pursuant to these regulations
25 would have the force and effect of a rebuttable presumption.
26 CERCLA 1980 § 111(h)(2), replaced by CERCLA 1986

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1 § 107(f)(2)(C), 42 U.S.C. § 9607(f)(2)(C). CERCLA 1980
2 § 301(c) also required DOI to promulgate the NRDA regulations
3 not later than two years after its enactment. See 42 U.S.C.
4 § 9651(c). DOI failed to promulgate the regulations according
5 to this schedule. New Jersey v. Ruckelshaus, No. 84-1668
6 (D.N.J., Dec. 12, 1984), aff'd mem., 782 F.2d 1031 (3d Cir.
7 1986). Congress later amended CERCLA 1980, and created a new
8 statute of limitations for natural resource damage claims.
9 42 U.S.C. § 9613(g)(1).

10 On August 1, 1986, DOI promulgated regulations that
11 contained the overall administrative process for conducting
12 natural resource damage assessments, as well as the "Type B"
13 assessment procedures. 51 Fed. Reg. 27,673 (Aug. 1, 1986),
14 codified at 43 C.F.R. Part 11. The "Type B" procedures are
15 "alternative protocols for conducting assessments in individual
16 cases to determine the type and extent of short- and long-term
17 injury, destruction, or loss." 42 U.S.C. § 9651(c). The
18 "Type B" procedures as a matter of technical applicability can
19 be used to assess damages to natural resources under all
20 circumstances. See 43 C.F.R. Part 11, § 11.33 and subpart E.

21 The only portion of the NRDA regulations not promulgated
22 on August 1, 1986 were the "Type A" procedures. The "Type A"
23 procedures are "standard procedures for simplified assessments
24 requiring minimal field observations" 42 U.S.C.
25 § 9651(c). DOI reserved a single subpart in 43 C.F.R. Part 11
26

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1 to accommodate the "Type A" procedures. 51 Fed. Reg. 27,673,
2 27,726 (Aug. 1, 1986).

3 DOI promulgated on March 20, 1987 the first of what will
4 be a series of "Type A" procedures. Colorado v. United States,
5 880 F.2d 481, 485 (D.C. Cir. 1989); 52 Fed. Reg. 9,042
6 (Mar. 20, 1987), codified at 43 C.F.R. Part 11, subpart D. The
7 federal government's comments accompanying this set of "Type A"
8 procedures indicated that these rules were to supplement and
9 amend the regulations promulgated on August 1, 1986.
10 52 Fed. Reg. 9,042 (Mar. 20, 1987).

11 The "Type A" procedures promulgated on March 20, 1987
12 apply only to coastal and marine environments and only under
13 limited circumstances. Colorado v. United States, 880 F.2d
14 481, 484 (D.C. Cir. 1989); 43 C.F.R. §§ 11.33, 11.41. For
15 example, these procedures are appropriate for assessing damage
16 due to a release only if the following criteria apply: (i) of
17 short duration; (ii) minor; and (iii) a single event.

18 The regulations promulgated on March 20, 1987 also only
19 cover a limited number of cases for which "Type A" procedures
20 could apply. Colorado, 880 F.2d at 483. DOI had selected
21 marine and coastal environments as the first area for which it
22 would develop "Type A" procedures because "much more extensive
23 information was available on the fate and effects of discharges
24 or releases of oil or hazardous substances in these
25 environments than for other ecosystems and natural resources."
26 Id. at 488, quoting 52 Fed. Reg. 9,048, 9,053 (Mar. 20, 1987).

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DEFENDANTS' BRIEF IN SUPPORT
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1 The court in Colorado upheld DOI's incremental approach to
2 promulgating "Type A" procedures, but directed DOI "to
3 promulgate, as expeditiously as possible, further type A
4 regulations to cover as many types of releases in as many
5 different kinds of environments as feasible." 880 F.2d at 483.

6 DOI has already published advanced notices of proposed
7 rulemaking for an additional set of "Type A" procedures
8 applicable to the environments of the Great Lakes. 53 Fed.
9 Reg. 20,143 (June 2, 1988); 54 Fed. Reg. 39,015 (Sept. 22,
10 1989). DOI has also suggested examples of other environments
11 and natural resources for which additional "Type A" procedures
12 might be developed. 53 Fed. Reg. 20,143, 20,146 (June 2,
13 1988). These are rivers, lakes, wetlands, ground water, soil
14 and air. Id.

15 DOI further amended the NRDA regulations on February 22,
16 1988 and on March 25, 1988. 53 Fed. Reg. 5,166 (Feb. 22,
17 1988); 53 Fed. Reg. 9,769 (Mar. 25, 1988). DOI has also
18 published advanced notices of proposed rulemaking for
19 additional amendments to these rules. 53 Fed. Reg. 20143
20 (June 2, 1988); 54 Fed. Reg. 39,013, 39,015, 39,016 (Sept. 22,
21 1989); 54 Fed. Reg. 41,363 (Oct. 6, 1989) (correction to
22 earlier notice); 54 Fed. Reg. 43,185 (Oct. 23, 1989) (extension
23 of comment period). In summary, the "Type A" regulations
24 already promulgated and those to be promulgated are irrelevant
25 to both this litigation and to the issue of when the three year
26 statute of limitations began to run under CERCLA 1986

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DEFENDANTS' BRIEF IN SUPPORT
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SEA290203

1 § 113(g)(1). If "Type A" procedures were relevant to the
2 determination of the three-year statute of limitations, the
3 limitation would continually recede into the future. DOI could
4 at will extend the three-year period by merely promulgating
5 another set of "Type A" procedures.

6 Perhaps the best test for determining when the
7 "regulations" referred to in CERCLA 1986 § 113(g)(1)(B) came
8 into existence is to ascertain when trustees were first able
9 to conduct damage assessments pursuant to DOI regulations, and
10 thereby, be eligible for the rebuttable presumption. The House
11 Conference Report on the Superfund Amendments and
12 Reauthorization Act of 1986 (SARA) stated that "[t]he Conferees
13 have adopted these amendments relating to the time limits for
14 initiating actions for natural resource damages because the
15 ability for [sic] Federal and State trustees to pursue such
16 claims and actions has been impaired by the failure of the
17 President to promulgate regulations governing procedures for
18 filing claims and assessing damages to natural resources."
19 H.R. Conf. Rep. 99-962, 99th Cong., 2d Sess. 1, reprinted in
20 1986 U.S. Code Cong. & Admin. News 3316.

21 The regulations promulgated on August 1, 1986 contained
22 all of the NRDA regulations (including the generic "Type B"
23 regulations), except for the "Type A" procedures.
24 Consequently, but for the statute of limitations running on
25 December 11, 1983, a trustee could have begun a natural
26 resource damage assessment using the "Type B" procedures 30

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DEFENDANTS' BRIEF IN SUPPORT
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1 days after DOI promulgated its rules on August 1, 1986.
2 51 Fed. Reg. 27,726 (Aug. 1, 1986), codified at 43 C.F.R.
3 § 11.10, amended, 53 Fed. Reg. 5,166, 5,171 (Feb. 22, 1988).
4 The absence of any "Type A" procedures at that time would not
5 have foreclosed a trustee from conducting an assessment using
6 DOI regulations. See 43 C.F.R. Part 11, § 11.10 and subpart E.
7 Had a trustee conducted an assessment under CERCLA 1986 and
8 used the regulations promulgated on August 1, 1986, it would
9 have received the rebuttable presumption. 42 U.S.C.
10 § 9607(f)(2)(C); 51 Fed. Reg. 27,726 (Aug. 1, 1986), codified
11 at 43 C.F.R. § 11.11, amended, 53 Fed. Reg. 5,166, 5,171
12 (Feb. 22, 1988). Therefore, if the regulations promulgated on
13 August 1, 1986 were sufficient in scope to allow a trustee to
14 conduct a natural resource damage assessment and receive the
15 rebuttable presumption, then these regulations are also
16 sufficient to begin the running of the statute of limitations.
17 Interpreting "regulations" in this manner is consistent with
18 SARA's legislative history, is equitable, and provides an
19 internally consistent interpretation of CERCLA 1986 § 113(g)(1)
20 (statute of limitation) and § 107(f)(2)(C) (rebuttable
21 presumption).

22 Plaintiff may argue that the "regulations" of CERCLA 1986
23 § 113(g)(1)(B) could not be complete or could not exist until
24 DOI promulgated both "Type A" and "Type B" procedures. Such
25 an interpretation, however, would create an entirely unworkable
26 scheme. As pointed out above, DOI selected one particular

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DEFENDANTS' BRIEF IN SUPPORT
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1 group of environments for its first set of "Type A"
2 regulations. The court in Colorado approved such an
3 incremental scheme, but DOI, pursuant to its own plans and at
4 the direction of the court, will promulgate additional "Type A"
5 procedures for use in other environments. Consequently, if
6 this court finds that the "regulations" referred to in CERCLA
7 1986 § 113(g)(1)(B) require "Type A" procedures, it would delay
8 the running of the statute of limitations until DOI exhausted
9 the myriad habitats for which "Type A" regulations are
10 possible. Clearly, such a scheme would be inconsistent with
11 Congressional intent in establishing a statute of limitations,
12 patently unwieldy, and unduly oppressive to Defendants.

13 The conclusion that the regulations promulgated on
14 August 1, 1986 are the "regulations" referred to in CERCLA 1986
15 § 113(g)(1) is not altered by the fact that Congress enacted
16 SARA after DOI promulgated those regulations. Congress drafted
17 the provisions of SARA that would amend the statute of
18 limitations for damage actions almost entirely during 1985.
19 See 1986 U.S. Code Cong. & Admin. News 2835. As can be seen,
20 all of the committee reports and floor debates, other than the
21 House Conference Report and House and Senate debates on the
22 Conference Report, were completed before August 1, 1986.
23 Furthermore, DOI presented a moving target because it was
24 actively drafting NRDA regulations during the time Congress was
25 formulating CERCLA's amendments. See 50 Fed. Reg. 1550 (Jan.
26 11, 1985) (notice inviting more public comments and suggesting

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DEFENDANTS' BRIEF IN SUPPORT
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1 public meetings); 50 Fed. Reg. 52,126 (Dec. 20, 1985) (proposed
2 regulations and extension of comment period). Therefore, the
3 term "regulations" in CERCLA 1986 § 113(g)(1) refers in the
4 context of this issue simply to regulations that were not
5 promulgated in final form at the time SARA's provisions were
6 drafted.

7 The conclusion that the regulations promulgated on
8 August 1, 1986 are the "regulations" referred to in CERCLA 1986
9 § 113(g)(1) is also not affected by the validity of the
10 regulations. The NRDA regulations promulgated on August 1,
11 1986 and March 20, 1987 were found to be partially invalid.
12 Ohio v. United States, 880 F.2d 432 (D.C. Cir. 1989); Colorado
13 v. United States, 880 F.2d 481, (D.C. Cir. 1989). Had Congress
14 wanted the statute of limitations to run from the date on which
15 the regulations were found valid by a court, it could have so
16 stated. To allow the statute of limitations to be determined
17 based on the validity of regulations would violate the express
18 language of the statute, would create tremendous uncertainty,
19 would eviscerate the purpose of CERCLA's statute of limitations
20 and would create an onerous burden on Defendants.

21 Plaintiff should receive no latitude in this case, because
22 it delayed bringing this action long after it had the right to
23 do so. First, the absence of NRDA regulations did not bar
24 Plaintiff from filing a natural resource damage action within
25 the three year statute of limitations of CERCLA 1980.
26 43 C.F.R. § 11.10 (assessment procedures not mandatory); see

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DEFENDANTS' BRIEF IN SUPPORT
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SEA290207

1 Colorado v. Asarco, Inc., 616 F.Supp. 822, 827 (D. Colo. 1985)
2 (state's motion to stay proceedings pending promulgation of
3 regulations denied); see also United States v. Reilly Tar &
4 Chem. Corp., 546 F. Supp. 1100, 1119 (D. Minn. 1982)
5 (assessment procedures not mandatory). Second, Plaintiff knew
6 or should have known before August 1, 1986 the circumstances
7 under which "Type A" procedures would be applicable. CERCLA
8 1980 § 301(c) specified the purpose of the "Type A" and
9 "Type B" procedures. In addition, DOI published a notice of
10 proposed rulemaking for the "Type A" procedures prior to the
11 promulgation of the regulations on August 1, 1986.
12 51 Fed. Reg. 16,635 (May 5, 1986). Therefore, Plaintiff knew
13 or should have known before August 1, 1986 that the "Type A"
14 procedures would not be the most appropriate method for a
15 natural resource damage assessment in Elliott Bay and the lower
16 Duwamish River. In fact, Plaintiff has alleged facts in this
17 case which would justify using the "Type B" procedures and
18 likely preclude a "Type A" assessment. Third, the Secretary
19 of Commerce could have under the regulations of August 1, 1986
20 conducted for Elliott Bay and the lower Duwamish River the
21 pre-assessment evaluation, which must precede both "Type A" and
22 "Type B" assessments. 43 C.F.R. Part 11, subpart B.
23 Therefore, Plaintiff cannot assert that it had to wait beyond
24 the effective date of the August 1, 1986 regulations to begin
25 a damage assessment. Clearly, Plaintiff sat on its claims with
26 no justifiable reason.

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DEFENDANTS' BRIEF IN SUPPORT
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SEA290208

1 The structure and history of the regulations promulgated
2 by DOI pursuant to CERCLA 1980 and 1986 § 301(c), 42 U.S.C.
3 § 9651(c), clearly show that the "regulations" referred to in
4 CERCLA's statute of limitations, 42 U.S.C. § 9613(g)(1), could
5 only be those promulgated on August 1, 1986. The date on which
6 DOI promulgated the first set of "Type A" regulations and the
7 dates on which DOI has or will further amend 43 C.F.R. Part 11
8 are irrelevant in computing the statute of limitations.
9 Consequently, the statute of limitations on Plaintiff's claim
10 ran on August 1, 1989. Plaintiff filed this suit on March 19,
11 1990. Therefore, Plaintiff's claim under 42 U.S.C. § 9607(a)
12 is barred.

13 Respectfully submitted this 10th day of May, 1990.

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DEFENDANTS' BRIEF IN SUPPORT
OF MOTION - 16

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